

Monroe Downtown Development Authority
(a component unit of the City of Monroe, Michigan)

Financial Report
June 30, 2013

Monroe Downtown Development Authority

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Independent Auditor's Report

To the Board
Monroe Downtown Development Authority
Monroe, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Monroe, Michigan (the "City") as of and for the years ended June 30, 2013 and 2012, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 20, 2013 and December 3, 2012, respectively, which contained unmodified opinions on the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to November 20, 2013.

In Relation to Opinion on Accompanying Financial Statements

The Monroe Downtown Development Authority is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Matters

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Plante & Moran, PLLC

November 20, 2013

Monroe Downtown Development Authority

Statement of Net Position

	<u>June 30, 2013</u>	<u>June 30, 2012</u>
Assets		
Cash and investments	\$ 460,321	\$ 519,202
Accrued interest receivable	150	408
Prepaid expenses and other assets	<u>833</u>	<u>833</u>
Total assets	461,304	520,443
Liabilities		
Accounts payable	2,813	1,219
Accrued liabilities and other	<u>558</u>	<u>-</u>
Total liabilities	<u>3,371</u>	<u>1,219</u>
Net Position - Unrestricted	<u>\$ 457,933</u>	<u>\$ 519,224</u>

Monroe Downtown Development Authority

Statement of Changes in Net Position Budget and Actual

	Year Ended				
	June 30, 2013				June 30, 2012
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
Revenue					
Property taxes	\$ 225,000	\$ 202,126	\$ 201,910	\$ (216)	\$ 230,414
Other miscellaneous income	-	-	3,390	3,390	-
Investment earnings and other	2,600	2,600	2,119	(481)	19,763
Total revenue	227,600	204,726	207,419	2,693	250,177
Expenses - Public works	265,513	299,603	268,710	30,893	78,350
Net Change in Net Position	(37,913)	(94,877)	(61,291)	33,586	171,827
Net Position - Beginning of year	519,224	519,224	519,224	-	347,397
Net Position - End of year	\$ 481,311	\$ 424,347	\$ 457,933	\$ 33,586	\$ 519,224

Monroe Downtown Development Authority

Notes to Financial Statements June 30, 2013

Note 1 - Summary of Significant Accounting Policies

Monroe Downtown Development Authority (the "Authority") is a component unit of the City of Monroe, Michigan (the "City") and is included in its basic financial statements at June 30, 2013.

The Authority was organized under the laws of the State of Michigan for the purpose of correcting and preventing deterioration and promoting economic growth in the business district. This is accomplished by capturing property taxes in accordance with state law and expending resources for improvements within the district boundaries.

The accounting policies of the Monroe Downtown Development Authority conform to accounting principles generally accepted in the United States of America (GAAP). The following is a summary of the significant accounting policies used by the Monroe Downtown Development Authority:

The Authority utilizes the modified accrual basis of accounting. Modifications in such method from the accrual basis are as follows:

- a. Revenue that is both measurable and available for use to finance operations is recorded as revenue when earned. Other revenue is recorded when received.
- b. Payments for inventory types of supplies are recorded as expenditures at the time of purchase.
- c. Prepaid expenses represent payments for goods or services related to the subsequent year.
- d. Fixed assets are recorded as expenditures at the time of purchase.
- e. GASB No. 34 requires the presentation of management's discussion and analysis; however, this information is not required in this statement since it is issued in relation to the City's basic financial statements.

Given the nature of the Authority's operations, there are no adjustments necessary to reconcile between the modified accrual basis of accounting and the full accrual basis of accounting.

Investments - Investments are recorded at fair value, based on quoted market prices.

Note 2 - Risk Management

The Authority is exposed to various risks of loss related to property loss, torts, and errors and omissions. The Authority participates in the City's general liability risk management program, which is accounted for in the City's Insurance Internal Service Fund.

Monroe Downtown Development Authority

Notes to Financial Statements June 30, 2013

Note 3 - Budget Information

The annual budget is prepared and approved by the Authority and then approved by the City Council; subsequent amendments are approved by both bodies. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at June 30, 2013 is not material.

The budget has been adopted on a fund basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. A comparison of actual results of operations to the budget on a line-item basis is available at the City's offices.